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ASSOCIATION FOR RETARDED CITIZENS--
IBERVILLE, INC.
PLAQUEMINE, LOUISIANA
ANNUAL FINANCIAL REPORT

JUNE 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

1/28/09

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
TABLE OF CONTENTS
JUNE 30, 2008

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1-2
Schedule 1: Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3-4
FINANCIAL STATEMENTS	5
Statement of Financial Position	6
Statement of Activities	7-8
Statement of Cash Flows	9
Notes to Financial Statements	10-12
SUPPLEMENTARY INFORMATION	13
Schedule 1: Insurance in Force (Unaudited)	14
Schedule 2: Summary of Findings and Questioned Costs	15

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Association for Retarded Citizens--Iberville, Inc.

We have audited the accompanying statement of financial position of the Association for Retarded Citizens--Iberville, Inc. (a non-profit organization) as of June 30, 2008, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association for Retarded Citizens--Iberville, Inc. as of June 30, 2008, and the changes in its net assets and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 24, 2008, on our consideration of the Association for Retarded Citizens--Iberville, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

INDEPENDENT AUDITORS' REPORT, Continued

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information, except for the Schedule of Insurance in Force marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Baxley & Associates, LLC

Plaquemine, Louisiana
December 24, 2008

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Association for Retarded Citizens—Iberville, Inc.

We have audited the financial statements of the Association for Retarded Citizens—Iberville, Inc. (a non-profit organization) as of and for the year ended June 30, 2008, and have issued our report thereon dated December 24, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Association for Retarded Citizens—Iberville, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association for Retarded Citizens—Iberville, Inc.'s internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Association's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Association for Retarded Citizen—Iberville, Inc.'s financial statements that is more than inconsequential will not be presented or detected by the Association's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Association for Retarded Citizens—Iberville, Inc.'s internal control.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association for Retarded Citizen—Iberville, Inc's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended for the information and use of management, the Legislative Auditors, others within the organization, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Baxley & Associates, LLC

Plaquemine, Louisiana
December 24, 2008

FINANCIAL STATEMENTS

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2008

ASSETS

Current Assets

Cash	\$ 910,884
Accounts receivable--Employees	7,060
Accounts receivable--Contracts	326,777
Prepaid expense	<u>3,083</u>

Total Current Assets	<u>1,247,804</u>
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Property and Equipment

Vehicles	137,855
Workshop tools	9,119
Furniture and fixtures	<u>48,274</u>
	195,248
Less accumulated depreciation	<u>(177,863)</u>

Total Property and Equipment	<u>17,385</u>
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Other Assets

Utility deposit	<u>25</u>
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TOTAL ASSETS	<u><u>\$ 1,265,214</u></u>
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LIABILITIES AND NET ASSETS

Current Liabilities

Accounts payable	\$ 35,672
Payroll taxes withheld and accrued	<u>6,892</u>

Total Current Liabilities	<u>42,564</u>
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Net Assets:

Unrestricted	<u>1,222,650</u>
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Total Net Assets	<u>1,222,650</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,265,214</u></u>
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The accompanying notes are an integral part of this statement

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Total</u>	<u>Adult Day Care</u>	<u>Job Placement</u>	<u>Supervised Living / PCA & Respite</u>
REVENUE				
Social (Adult Habilitation Services)	\$ 16,236	\$ 16,236		
Iberville Parish Council	20,178	20,178		
Community Network, Inc.	161,343	132,331		29,012
Office of Community Services, Div. of Rehabilitation Services	- 43,767		43,767	
Capital Area United Way Allocation	31,738	31,738		
Structured Work Program	180,767	180,767		
Contributions	1,697	1,697		
Interest	16,123	16,123		
Dues	-			
Recycling	303	303		
Miscellaneous	6,306	6,261	20	25
Medicaid	2,137,409			2,137,409
TOTAL REVENUE	2,615,867	405,634	43,787	2,166,446

EXPENSES

Salaries	2,040,733	770,888	25,655	1,244,190
Payroll taxes	167,943	64,782	2,042	101,119
Repairs and maintenance	9,532	8,774	338	420
Professional fees	10,923	10,923		
Gifts/Donations	4,148	3,254	25	869
Supplies	112,068	107,213	9	4,846
Telephone	11,745	2,912	321	8,512
Postage	1,581	1,558		23
Advertising	480	125		355
(Continued)				

The accompanying notes are an integral part of this statement.

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008**

	Total	Adult Day Care	Job Placement	Supervised Living/ PCA & Respite
EXPENSES				
		970,429	28,390	1,360,334
Travel	66,291	41,416	3,795	21,080
Dues	405	405		
Miscellaneous	9,243	6,936		2,307
Depreciation	10,250	10,250		
Utilities	30,204	30,204		
Convention meetings	5,382	4,961	229	192
Licenses	1,473	342		1,131
Insurance	224,824	110,311	2,926	111,587
Medicaid billing	8,000			8,000
Training and workshops	12,449	765	1,150	10,534
Client assistance	10,501	2,970		7,531
Casual labor	1,136	200		936
TOTAL EXPENSES	2,739,311	1,179,189	36,490	1,523,632
 CHANGE IN NET ASSETS	 (123,444)	 (773,555)	 7,297	 642,814
 NET ASSETS, BEGINNING	 1,346,094	 (1,137,970)	 15,153	 2,468,911
 NET ASSETS, ENDING	 \$ 1,222,650	 \$ (1,911,525)	 \$ 22,450	 \$ 3,111,725

(Concluded)

The accompanying notes are an integral part of this statement.

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2008**

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in net assets	\$ (123,444)
Adjustments to reconcile net assets to net cash provided by operating activities:	
Depreciation	10,250
(Increase) in accounts receivable	(64,175)
Decrease in prepaid insurance and expense	2,304
Increase in payroll taxes withheld	459
Increase in accounts payable	18,707

NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(155,899)
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**CASH FLOW FROM CAPITAL & RELATED
FINANCING ACTIVITIES**

Purchase of capital assets	(9,607)
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NET CASH (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	(9,607)
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NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(165,506)
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CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,076,390
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CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 910,884
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The accompanying notes are integral part of this statement.

ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2008

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Association is not a component unit of another primary government nor does it have any component units which are related to it. Therefore, the Association has presented its financial statements as a separate special-purpose entity.

Basis of accounting

The financial statements are prepared on the accrual basis wherein revenues are recognized when earned and expenses are recognized when incurred.

Property and equipment and depreciation

Property and equipment is stated at cost, unless donated. Donated property and equipment is stated at fair market value as of the date of the gift. Depreciation is charged to operations using the straight-line method at various rates calculated to extinguish the book value of items over their useful lives.

Income taxes

The Association is a nonprofit organization and has been granted tax exempt status under Section 501(c) (3) of the Internal Revenue Code.

Financial Statement Presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-For-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows. As permitted by the Statement, the Organization has discontinued its use of fund accounting.

Contributions

The Organization has also adopted SFAS No. 116, "Accounting for Contributions Received and Contributions Made." Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association for Retarded Citizens--Iberville, Inc. considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS**

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B - PROPERTY AND EQUIPMENT

Property and equipment is scheduled as follows:

	BALANCE 6/30/2007	ADDITIONS	TRANSFERS	DELETIONS	BALANCE 6/30/2008
Vehicles	\$ 133,355	\$ 4,500		\$ -	\$ 137,855
Workshop tools	12,805	5,107		-	17,912
Furniture and fixtures	39,481			-	39,481
	185,641	9,607		-	195,248
Accumulated depreciation	(167,613)	\$ (10,250)		\$ -	(177,863)
Total Property and Equipment	\$ 18,028				\$ 17,385

NOTE C - ACCOUNTS RECEIVABLE

Iberville Parish Council	\$ 3,388
State of Louisiana Department of Health & Hospitals, Office of Human Services, Division of Mental Retardation: Cost Reimbursement	1,221
Community Network, Inc.	13,179
Sysco, Inc	11,468
Clarence Agee Trust fund	268
Other Receivables (including Medicaid)	297,253
TOTAL ACCOUNTS RECEIVABLE	\$ 326,777

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE D - CASH

The total cash held by the bank on behalf of the Association at June 30, 2008 is \$934,181. This amount exceeds the insurance provided by the federal government.

SUPPLEMENTARY INFORMATION

SCHEDULE 1

**ASSOCIATION FOR RETARDED CITIZENS--IBERVILLE, INC.
INSURANCE IN FORCE
JUNE 30, 2008
(Unaudited)**

Insurer	Type of Coverage	Amount	Inception Date	Term in Months
Transcontinental Insurance Co.	Comprehensive General Liability and Comprehensive Auto and Liability	BI & PD Combined \$1,000,000 per occurrence	July 1, 2007	12
Transcontinental Insurance Co. Savant Insurance Services Western Surety Co.	Janitorial bond		February 28, 2008	12
Louisiana Habilitation Providers, Inc.	Workers' Compensation	Statutory	July 1, 2007	12
Frontier Insurance Co.	NARC Director/Officers' Liability	\$1,000,000	April 1, 2008	12

SCHEDULE 2

ASSOCIATION FOR RETARDED CITIZENS—IBERVILLE, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2008

A. SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued: *unqualified*

Internal control over financial reporting:

▪ Material weaknesses identified?	_____yes	___X___no
▪ Reportable condition identified that are not considered to be material weaknesses?	_____yes	___X___no
Noncompliance material to financial statements noted?	_____yes	___X___no